

Message Text

UNCLASSIFIED

PAGE 01 OTTAWA 04256 142206Z

13-11

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 INT-05 L-03 H-02 AGR-10

AF-06 DODE-00 PA-02 PRS-01 /097 W

----- 018743

R 142020Z NOV 75

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 8041

INFO AMCONSUL TORONTO

AMCONSUL WINNIPEG

UNCLAS OTTAWA 4256

E.O. 11652: N/A

TAGS: EMIN, EINV, CA

SUBJ: SASKATCHEWAN NATIONALIZATION OF POTASH FIRMS

REF: OTTAWA 4238

1. SASKATCHEWAN'S ANNOUNCED PLAN TO NATIONALIZE POTASH FIRMS RECEIVED MAJOR BUSINESS NEWS COVERAGE IN NOVEMBER 14 CANADIAN PRESS. MONTREAL GAZETTE REPORTS THAT CENTRAL CANADA POTASH CO. LTD. (51 PERCENT OWNED BY NORANDA MINES) DID NOT REPEAT NOT FIND PREMIER BLAKENEY'S PLAN A SURPRISE AND QUOTES FIRM'S GENERAL MANAGER AS SAYING THAT HIS FIRM HAD ALREADY APPROACHED TO PROVINCIAL GOVERNMENT ABOUT A POSSIBLE SALE. OTHER FIRM' REPRESENTATIVES, HOWEVER, HAVE CHARACTERIZED SASKATCHEWAN'S PLAN AS "MONSTROUS", "DISAPPOINTING", ETC. AND IMC (LIBERTYVILLE, ILL.) REPORTEDLY ISSUED STATEMENT THAT IT WOULD PURSUE "EVERY POSSIBLE ALTERNATIVE" TO GOVERNMENT TAKEOVER.

2. SASKATCHEWAN ANNOUNCEMENT HAS ALSO BROUGHT CONDEMNATION FROM PROVINCIAL LIBERAL AND CONSERVATIVE PARTY LEADERS. CONSERVATIVE LEADER COLLVER STATED THAT "IF THE GOVERN-
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OTTAWA 04256 142206Z

MENT MEANT WHAT IT SAID, I CANNOT IMAGINE ANY OTHER INDUSTRY

WISHING TO TAKE A CHANCE ON SASKATCHEWAN", AND LIBERAL LEADER STEUART STATED THAT BLAKENEY "DIDN'T NEED TO TAKE THEM OVER. HE'S ALREADY TAKING FROM 75 TO 85 PERCENT OF THEIR REVENUES".

3. RON ANDERSON IN GLOBE AND MAIL OF NOVEMBER 14 SUMS UP MAIN THEMES OF PRESS COMMENTARY BY WRITING:

"THE PROVINCE, IT SEEMS, CAN AFFORD TO BUY OUT ALL OR A LARGE PART OF THE INDUSTRY, BY DRAWING ON THE SASKATCHEWAN ENERGY FUND, BY MARKET BORROWING AND BY USING ITS HEAVY TAXATION OF POTASH PRODUCTION TO FINANCE PURCHASE OF ONE MINE AFTER ANOTHER.

"IT IS DOUBTFUL, HOWEVER, THAT THIS IS THE BEST USE OF THE PROVINCE'S FISCAL RESOURCES. IT WILL GET THE INDUSTRY'S AFTER-TAX PROFITS, SUCH AS THEY ARE, AND THE FEDERAL TAX SHARE OF POTASH PROFITS.

"SASKATCHEWAN WILL LOSE THE TECHNICAL RESOURCES OF THE POTASH MINING COMPANIES AND THEIR MARKETING CONNECTIONS AND EXPERTISE. WHILE MARKETS MAY NOT POSE A PROBLEM IN THE SHORT RUN, DEVELOPMENT OF NEW POTASH DISCOVERIES ELSEWHERE COULD CHANGE THE MARKETING OUTLOOK FOR SASKATCHEWAN.

"PERHAPS THE GREATEST COST WOULD BE THE LOSS OF CONFIDENCE OF THE BUSINESS COMMUNITY. IF THE GOVERNMENT NATIONALIZES POTASH, FEW COMPANIES WOULD BE PREPARED TO RISK THEIR TIME, EFFORT AND MONEY IN DEVELOPING THE PROVINCE'S METALS, OIL AND GAS."

PORTER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, POTASSIUM, BUSINESS FIRMS, NEWS MEDIA COMMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975OTTAWA04256
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750398-0727
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751142/aaaabkxg.tel
Line Count: 90
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 OTTAWA 4238
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 04 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 AUG 2003 by ReddocGW>; APPROVED <04 MAR 2004 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SASKATCHEWAN NATIONALIZATION OF POTASH FIRMS
TAGS: EMIN, EINV, CA
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006